



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

MINUTES OF THE COMMITTEE
ON
TAX POLICY

Wednesday, May 17, 2017 10:30 a.m. Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jim Tedder.

Members present: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

Members absent/excused: None.

Representative Maturen moved to adopt the minutes from the Wednesday, May 3, 2017 meeting.

There being no objection, the motion prevailed by unanimous consent.

Representative Neeley introduced a group of guests from Atherton Community Schools to the committee.

The Chair laid before the committee HB 4335 and HB 4336:

HB 4335 (Pagel)	Property tax; principal residence exemption; claiming a principal residence exemption in this state while claiming a substantially similar exemption on property in another state; clarify procedures for rescinding the latter.
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HB 4336 (LaSata)	Property tax; principal residence exemption; obtaining or attempting to obtain a principal residence exemption on property in this state while claiming a substantially similar exemption on property in another state; prohibit.
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Representative Pagel introduced substitute (H-1) to the committee.

The following people submitted a testimony card in support of HB 4335 and HB 4336, but did not wish to speak:

Christina Canfield, representing the Michigan Education Association.

Julie Rowe, representing the American Federation of Teachers- Michigan.

Annalisa Grunwald, representing the Michigan Association of Intermediate School Administrators.

Judy Allen, representing the Michigan Townships Association.

Manny Lentine, representing the Michigan Assessors Association.
Peter Spadafore, representing the Michigan Association of School Administrators.
Jennifer Smith, representing the Michigan Association of School Boards.
David Zuhlke, representing the Middle Cities Education Association.
Kathleen Merry, representing Wayne RESA.

Representative Lower moved to adopt the substitute (H-1) to HB 4335.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

Representative Maturen moved to report HB 4335 as substitute (H-1), with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

Arthur Havlicek, from Representative LaSata's office, introduced substitute (H-1) to the committee.

Representative Maturen moved to adopt the substitute (H-1) to HB 4336.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

Representative Kahle moved to report HB 4336 as substitute (H-1), with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

The Chair laid before the committee HB 4412:

HB 4412 (Iden)	Property tax; tax tribunal; tribunal procedures; revise, and provide other general amendments.
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The following people submitted a testimony card on HB 4412, but did not wish to speak:

Tony Stamas, representing the Small Business Association of Michigan, in support.

Dan Papineau, representing the Michigan Chamber of Commerce, in support.

Judy Allen, representing the Michigan Townships Association, neutral on the bill.

Deena Bosworth, representing the Michigan Association of Counties, neutral on the bill.

Manny Lentine, representing the Michigan Assessors Association, in opposition as written.

Jason Puscas, representing the Detroit Regional Chamber of Commerce, in support.

Chris Hackbarth, representing the Michigan Municipal League, testified in support of HB 4412, with changes.

Representative Maturen moved to adopt the substitute (H-1) to HB 4412.

The motion prevailed by a vote of 11-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Kesto, Lucido, Vaupel, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: Representative Johnson.

PASS: Representative Howrylak.

Representative Maturen offered the following amendment to HB 4412 (H-1):

1. Amend page 6, line 1, after "**30**," by striking out "**2017**" and inserting "**2019**".

Representative Maturen moved to adopt the following amendment to HB 4412, (H-1).

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

Representative Maturen offered the following amendment to HB 4412, (H-1):

1. Amend page 3, line 23, after "**PRACTICES.**" by inserting "**AS USED IN THIS SUBSECTION, 'APPRAISAL PRACTICES' INCLUDES, BUT IS NOT LIMITED TO, HIGHEST AND BEST USE ANALYSIS AND RECONCILIATION OF THE FOLLOWING APPROACHES TO PROPERTY VALUATION:**

(A) **COMPARABLE SALES.**

(B) **CAPITALIZATION OF INCOME.**

(C) **COST LESS DEPRECIATION."**

Representative Maturen moved to adopt the following amendment to HB 4412 (H-1).

The motion failed by a vote of 4-6-3.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Maturen, Howrylak, Johnson and Lower.

NAYS: Representatives Tedder, Kesto, Lucido, Vaupel, Kahle and Neely.

PASS: Representatives Byrd, Ellison and Hammoud.

Representative Maturen offered the following amendments to HB 4412 (H-1):

Amend page 12, line 22, after "involved" by inserting "**AND FILING ALL EXPERT VALUATION DISCLOSURES WITHIN 4 MONTHS OF FILING THE WRITTEN PETITION**".

2. Amend page 13, line 1, after "involved" by inserting "**AND FILING ALL EXPERT VALUATION DISCLOSURES WITHIN 4 MONTHS OF FILING THE WRITTEN PETITION**".

3. Amend page 13, line 4, after "determination" by inserting "**AND FILING ALL EXPERT VALUATION DISCLOSURES WITHIN THE TIME PERIODS SPECIFIED FOR THE CLASSIFICATION OF PROPERTY AS STATED IN THIS SECTION,**".

4. Amend page 13, line 6, after "**CLAIMS,**" by inserting "**FILING A WRITTEN PETITION**".

Representative Maturen moved to adopt the following amendments to HB 4412 (H-1).

The motion prevailed by a vote of 7-3-3.

FAVORABLE ROLL CALL:

YEAS: Representatives Maturen, Howrylak, Vaupel, Johnson, Kahle, Lower and Hammoud.

NAYS: Representatives Tedder, Kesto and Lucido.

PASS: Representatives Byrd, Neeley and Ellison.

Representative Kesto offered the following amendment to HB 4412 (H-1):

1. Amend page 14, line 22, after "IS" by inserting "**WELL**".

Representative Kesto moved to adopt the following amendment to HB 4412 (H-1).

The motion prevailed by a vote of 12-1-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Byrd, Neely, Ellison, and Hammoud.

NAYS: Representative Lower.

PASS: None.

Representative Kahle moved to report HB 4412, as amended, as substitute (H-2), with recommendation.

The motion prevailed by a vote of 12-1-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: Representative Johnson.

PASS: None.

The Chair laid before the committee HB 4285:

HB 4285 (Lucido)	Property tax; payment and collection; personal liability for unpaid property taxes; clarify.
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Representative Lucido moved to adopt the substitute (H-1) to HB 4285.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

Rebecca Gean, representing the Michigan Realtors, submitted a testimony card in support of HB 4285, but did not wish to speak.

Dan Papineau, representing the Michigan Chamber of Commerce, submitted a testimony card in support of HB 4285, but did not wish to speak.

Representative Kahle moved to report HB 4285 as substitute (H-1), with recommendation.

The motion prevailed by a vote of 12-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely and Hammoud.

NAYS: None.

PASS: Representative Ellison.

The Chair laid before the committee HB 4502:

HB 4502 (Lower)	Corporate income tax; exemptions; certain self-insurer groups; exempt from taxation.
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Representative Lower moved to report HB 4502, with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Lower, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: None.

The Chair went at ease at 11:10 a.m., and reconvened at 11:15 a.m.

The Chair laid before the committee SB 359:

SB 359 (Hildenbrand)	Property tax; exemptions; delivery of combined document for personal property exemption; modify deadline date.
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Senator Hildenbrand introduced the bill to the committee. Questions and discussion followed.

The following people submitted a testimony card in support of SB 359, but did not wish to speak:

Jason Puscas, representing the Detroit Regional Chamber of Commerce.
Manny Lentine, representing the Michigan Assessors Association.
Dan Papineau, representing the Michigan Chamber of Commerce.
Howard Ryan, representing the Michigan Department of Treasury.

Representative Howrylak moved to report SB 359, with recommendation.

The motion prevailed by a vote of 12-0-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Tedder, Maturen, Howrylak, Kesto, Lucido, Vaupel, Johnson, Kahle, Byrd, Neely, Ellison, and Hammoud.

NAYS: None.

PASS: Representative Lower.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 11:24 a.m.

Representative Jim Tedder, Chair

Kevin Gawronski
Committee Clerk
May 17, 2017
54 minutes

Date Approved and Signed